

EN

E-002389/2022

Answer given by Mr Hahn
on behalf of the European Commission
(20.9.2022)

1. Since the introduction of Early Warning System and the Central Exclusion (EDES) on 1 January 2016, there have been 776 cases for early detection and exclusion registered. Currently there are 11 exclusions in the EDES Database¹ and five early detection cases. The duration of the exclusion is determined on a case-by-case basis within the limits from three to five years set in the Financial Regulation², ensuring the full respect of adversarial rights³. The duration of an early detection registration is maximum one year.

2. The Commission welcomes the European Court of Auditors' report supporting the Commission's action in further improving EDES. In the context of the Financial Regulation revision⁴, the Commission has proposed, inter alia, the following:

- to extend EDES' scope to facts established via EU audits on actual/potential irregularities involving funds managed by the Member States in shared management;
- to target three new categories of subjects⁵ (beneficial owners, affiliated entities, guarantors);
- to introduce new grounds of exclusions (e.g. breach of conflict of interest, refusal to cooperate with audits/investigations);
- to set common rules facilitating notifications to the addressees of EDES proceedings;
- an expedited procedure for the EDES Panel to treat priority cases.

3. The Commission is committed to be digital by default (see its new Digital Strategy⁶). In line with this commitment, the Commission's proposal for the revision of the Financial Regulation foresees the use of digital controls and audits where appropriate. This will lead to more visibility, promote a wider and more consistent use of digital audits and controls, increase the efficiency and quality of controls and audits, while decreasing the cost of audits and controls.

¹ 48 persons/entities were excluded since 2016.

² Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012, OJ L 193, 30.7.2018, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32018R1046>

³ In accordance with the right to good administration enshrined in the Charter.

⁴ COM(2022) 223 final of 16 May 2022.

⁵ These are established together with the principal subjects liable of exclusion and provided that a number of conditions are fulfilled.

⁶ C(2022) 4388 final of 30 June 2022, Communication to the Commission "European Commission digital strategy – Next generation digital Commission".